

William Craven  
FAS East Precinct Parking 12<sup>th</sup> Ave Arts ATT 3  
August 16, 2012  
Version #1

## Attachment 3 FAS East Precinct Parking 12<sup>th</sup> Avenue Arts

## REAL PROPERTY PURCHASE AND SALE AGREEMENT

This Real Property Purchase and Sale Agreement (the “**Agreement**”) is made and entered into as of this \_\_\_ day of \_\_\_\_\_, 2012, by and between Twelfth Avenue Arts Development LLC, a Washington limited liability company (“**Buyer**”), and The City of Seattle, a Washington municipal corporation (“**Seller**”).

### RECITALS

- A. Seller is the owner of certain real property located in Seattle, Washington.
- B. Buyer desires to purchase from Seller and Seller desires to sell to Buyer the Property (as hereinafter defined) on the terms and conditions set forth below.

### AGREEMENT

In consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Buyer agree as follows:

### ARTICLE I. PROPERTY

Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller, the obligations of each of them subject to the terms and conditions set forth herein, the following:

1.1 Property. Two airspace condominium units referred to in the Condominium Documents (defined below) as the “**Housing Unit**” and the “**Commercial Unit**,” respectively, to be created on certain real property legally described in the attached Exhibit A (the “**Underlying Parcel**”), to be governed by those Condominium Documents listed in Section 1.2 below, together with all rights, privileges and easements, development rights, air rights, water rights and all easements, rights-of-way, permits, licenses and other rights appurtenant to or used in connection therewith (the Housing Unit and the Commercial Unit, together with all such rights and privileges, etc. is referred to herein as the “**Property**”). The Housing Unit and the Commercial Unit are located above one other unit to be created by the Condominium Documents. This additional unit is also legally described in the attached Exhibit A and is referred to herein as the “**Garage Unit**”. Buyer and Seller will, upon closing of the transactions contemplated herein, also hold a long-term leasehold interest in the Garage Unit.

1.2 Condominium Documents. The term “**Condominium Documents**” refers to the Condominium Declaration for 12th Avenue Arts, a Condominium, substantially in the form attached hereto as Exhibit B; the bylaws and articles of incorporation of 12th Avenue Arts Condominium Association, substantially in the form attached hereto as Exhibit C; and the Survey Map and Plans, substantially in the form attached hereto as Exhibit D.

## ARTICLE II. CONSIDERATION

2.1 Consideration. In consideration for Seller conveying the Property to Buyer, Buyer agrees that it shall construct or cause to be constructed within the Property and the Garage Unit improvements substantially as described in those plans and specifications prepared by [NAME OF ARCHITECT] dated as of [DATE OF SPECIFICATIONS] titled [TITLE OF RESIDENTIAL UNIT PLANS AND SPECS; TITLE OF COMMERCIAL UNIT PLANS AND SPECS; TITLE OF GARAGE PLANS AND SPECS], all of which plans and specifications are incorporated herein by reference, and which improvements shall be used respectively as 1) a [SQUARE FOOTAGE] square foot residential rental apartment project with rents affordable to households with incomes at the time of initial occupancy of 60% or less than the area median income, as defined by the U.S. Department of Housing and Urban Development (the “**Housing Project**”); 2) [SQUARE FEET] of performing arts, retail and office space (the “**Arts/Commercial Project**”); and 3) a [SQUARE FEET] parking garage (the “**Garage Project**”). *[note: further details will be set forth in a separate Development Agreement]*

2.2 Escrow Holder. First American Title Insurance Company (“**Escrow Holder**” in its capacity as escrow holder and “**Title Company**” in its capacity as title insurer) has been designated as Escrow Holder hereunder by mutual agreement of Seller and Buyer. Upon execution of this Agreement by both Seller and Buyer (such date herein referred to as the “**Date of this Agreement**”), Escrow Holder shall open a closing escrow for the benefit of Buyer and Seller in accordance with the terms of this Agreement.

2.3 Earnest Money. Not later than three (3) days following the Date of this Agreement, Buyer shall deposit with Escrow Holder a promissory note in the principal sum of One Hundred Twenty Thousand Dollars (\$120,000.00), in the form of Exhibit E hereto, as earnest money (the “**Earnest Money Note**”). In the event this transaction fails to close as a result of Seller’s default or the failure of any condition precedent to Buyer’s obligations set forth in Article V, the Earnest Money Note shall be returned to Buyer. In the event this transaction fails to close as a result of Buyer’s default or any reason other than the failure of any condition precedent to Buyer’s obligations set forth in Article V, Seller shall be entitled to enforce the Earnest Money Note as Seller’s sole and exclusive remedy.

## ARTICLE III. TITLE

3.1 Review of Title. The parties acknowledge that as of the date of this Agreement, Buyer has received from the Title Company a preliminary commitment for title insurance for the Property dated May 8, 2012 including copies of all exceptions and encumbrances noted thereon (the “**Preliminary Commitment**”). Buyer has approved of all exceptions in the Commitment other than special exceptions 1, 2, 3 and 4, which Seller has agreed to remove.

(a) If Buyer receives notice of additional exceptions to title other than those shown in the Preliminary Commitment or the Condominium Documents, Buyer shall have twenty days from receipt of such notice and copies of the exceptions to review the new exception(s). If Buyer objects to any such exceptions within the twenty-day period, Seller shall

advise Buyer in writing within 5 days after receipt of Buyer's written objections whether Seller will remove the objectionable exception(s) at Closing, whether the Title Company has agreed to insure around the objectionable exceptions in the title policy to be issued at Closing (together with the proposed form of endorsement) or whether the objectionable exception(s) will not be removed or insured around by Seller.

(b) After receipt of Seller's response to Buyer's written objections, and if Seller has not agreed to remove or insure over the exception(s) to which Buyer objects, Buyer within ten days after receipt of Seller's notice shall notify Seller in writing of Buyer's election to either: (a) terminate this Agreement, in which event the Earnest Money Note shall be returned to Buyer, or (b) waive its objections to the exception(s) that Seller will not remove or insure around, in which event such exception(s) shall be deemed accepted by Buyer.

(c) If the time period for delivery of any notice extends beyond the Closing Date, the Closing Date shall be extended to accommodate the notice periods outlined above.

(d) The term "***Permitted Exceptions***" as used hereafter means: (a) the exceptions accepted or deemed accepted by Buyer as provided above; (b) the lien of real estate taxes and assessments payable in the calendar year of closing which shall be prorated to the Closing Date as provided in Section 7.5; and (c) local, state and federal laws, ordinances and governmental regulations.

3.2 **Title Insurance.** Subject to Buyer fulfilling its obligations hereunder, Seller shall cause Title Company to make available to Buyer at Closing a Standard Coverage Owner's Policy of title insurance or, if Buyer so requests in writing, an Extended Coverage Owner's Policy of title insurance, issued by Title Company in the amount of \$[VALUE ALLOCATED TO RESIDENTIAL UNIT AND COMMERCIAL UNIT], dated the date of Closing, insuring Buyer's title to the Property subject to no exceptions other than the standard printed exceptions and the Permitted Exceptions (the "***Title Policy***"). The Title Policy shall contain such endorsements as Buyer may specify and which Title Company is willing to issue provided that Buyer shall pay: (a) the cost of all such endorsements; (b) the cost of the premium increase for extended coverage if requested by Buyer; and (c) the cost of any update of the survey required for such extended coverage.

3.3 **Conveyance of Property.** At Closing Seller shall convey to Buyer fee simple title to the Property by execution and delivery of a quit claim deed to the Property, subject only to the Permitted Exceptions (the "***Deed***").

#### **ARTICLE IV. BUYER CONTINGENCIES**

Buyer's obligations under this Agreement are contingent upon Buyer's ability to secure financing for construction of the Housing Project, Arts/Commercial Project and the Garage Project, satisfactory to Buyer in Buyer's sole and absolute discretion. Buyer shall have until December 31, 2012 to invoke this contingency by providing written notice to Seller that it has been unable to secure such financing and that it desires to terminate this Agreement. Upon delivery of such notice to Seller, Buyer and Seller's obligations under this Agreement shall

terminate, and the Earnest Money Note shall be returned to Buyer and the parties shall have no further obligation with respect to this Agreement. Buyer may waive this contingency by fulfilling its obligations and closing the transaction contemplated herein.

## **ARTICLE V. CONDITIONS PRECEDENT TO CLOSING**

5.1 Conditions Precedent to Buyer Obligations. Buyer's obligations under this Agreement are expressly conditioned on, and subject to satisfaction of, the following conditions precedent:

(a) Performance by Seller. Seller shall have performed all material obligations required by this Agreement to be performed by it.

(b) Title Policy. Title Company shall be committed to issuing the Title Policy subject only to the Permitted Exceptions, provided Buyer has fulfilled its obligations with respect to the Title Company.

(c) Representations and Warranties True. The representations and warranties of Seller contained herein shall be true and correct in all material respects.

(d) Execution of Ground Lease. Seller shall have executed and delivered to Buyer that certain Ground Lease Agreement pursuant to which Seller is conveying to Buyer a 65-year leasehold interest in the Garage Unit.

The conditions set forth in Sections 5.1(a) through (d) above are intended solely for the benefit of Buyer. If any of the foregoing conditions are not satisfied as of the Closing Date, Buyer shall have the right at its sole election either to waive the condition in question and proceed with the purchase of the Property or, in the alternative, to terminate this Agreement, whereupon the Earnest Money Note shall be returned to Buyer and the parties shall have no further obligations hereunder other than those obligations which survive the termination of this Agreement by their express terms.

5.2 Conditions Precedent to Seller Obligations. Seller's obligations under this Agreement are expressly conditioned on, and subject to satisfaction of, the following conditions precedent:

(a) Performance by Buyer. Buyer shall have performed all material obligations required by this Agreement to be performed by it.

(b) Representations and Warranties True. The representations and warranties of Buyer contained herein shall be true and correct in all material respects.

(c) Review and Approval of Transaction Documents. Seller shall have reviewed and approved of all transaction documents relating to the financing and construction of, or that constitute an encumbrance on, the Garage Unit.

The conditions set forth in Sections 5.2(a) through (c) above are intended solely for the benefit of Seller. If any of the foregoing conditions are not satisfied as of the Closing Date, Seller shall have the right at its sole election either to waive the condition in question and proceed with the sale or, in the alternative, to terminate this Agreement. No such termination, however, shall waive Seller's right to enforce the Earnest Money Note if Buyer is then in default under this Agreement.

## ARTICLE VI. SELLER COVENANTS

6.1 Authority. Seller has full power, authority and legal right to execute, deliver and perform this Agreement, and all other documents contemplated hereby; the Seller has duly authorized the execution, delivery and performance thereof; and has authorized the person executing this Agreement to do so; except as expressly provided herein, there is not pending or, to the best of Seller's knowledge, threatened (i) condemnation or similar proceedings with respect to the Property or any part thereof, or (ii) legal action of any kind or nature, served on the Seller, affecting the Property, which would enjoin or restrict the right of Seller to consummate the transactions contemplated hereby.

6.2 Condition of Title. Seller shall not allow any lien to attach to the Property or any part thereof except the lien for ad valorem taxes that are not due and payable and any liens that result from the activities of Buyer in connection with the Property, nor will Seller grant, create, or voluntarily allow the creating of, or amend, extend, modify or change, any easement, right-of-way, encumbrance, restriction, covenant, lease, license, option or other right affecting the Property or any part thereof without Buyer's written consent first having been obtained.

## ARTICLE VII: ENVIRONMENTAL INDEMNITY

Intentionally omitted.

## ARTICLE VIII. CLOSING AND ESCROW

8.1 Closing. The closing of the transaction contemplated in this Agreement (the "**Closing**") shall take place no later than December 31, 2012, or as otherwise mutually agreed to by Buyer and Seller (the "**Initial Closing Date**").

8.2 Closing Extensions and Termination. Buyer shall have the option to extend the Initial Closing Date by two (2) sixty (60)-day periods. Each sixty (60) day extension option may be exercised by Buyer upon Buyer's delivery to Seller no later than ten (10) days prior to the Initial Closing Date (or, in the case of the second 60-day extension, no later than ten (10) days prior to the Initial Closing Date *as extended*) written notice of its intent to extend the Initial Closing Date.

The Initial Closing Date, as it may be extended pursuant to this Section 7.2, shall be referred to as the "**Closing Date**". At any time prior to the Closing Date, the City may terminate this Agreement in its sole discretion without penalty upon delivery of written notice to the Buyer.

8.3 Delivery by Seller. On or prior to the Closing Date, Seller shall deposit with Escrow Holder, the following:

(a) a duly executed and acknowledged quit claim deed for the Property ready for recordation on the Closing Date together with a duly executed real estate excise tax affidavit and a non-foreign certificate;

(b) any documents required to eliminate of record any existing encumbrances on the Property and any customary affidavits or certifications required by Title Company to issue the Title Policy; and

(c) such other instruments or documents as may be required pursuant to the provisions hereof or as mutually agreed by counsel for Seller and Buyer to be necessary to fully consummate the transaction contemplated hereby.

8.4 Delivery by Buyer. On or prior to the Closing Date Buyer shall deposit with Escrow Holder the following:

(a) a duly executed real estate excise tax affidavit;

(b) a duly executed certificate of non-foreign status; and

(c) such other instruments or documents as may be required pursuant to the provisions hereof or as mutually agreed by counsel for Seller and Buyer to be necessary to fully consummate the transaction contemplated hereby.

8.5 Title Policy; Other Instruments. Title Company shall issue the Title Policy at Closing or as soon thereafter as practicable. Seller and Buyer shall each deposit such other instruments as are reasonably required by Escrow Holder, Title Company or otherwise required to close the escrow and consummate the purchase and sale of the Property in accordance with the terms hereof.

8.6 Prorations. All expenses of the Property, including but not limited to, real property taxes, drainage district service charges, water, sewer and utility charges, current years' installments of assessments or LID's and other expenses normal to the maintenance of the Property, but excluding insurance premiums, shall be prorated as of 12:01 a.m. on the Closing Date.

8.7 Closing Costs and Expenses. Buyer and Seller shall each pay their own attorney's fees and expenses to perform their obligations hereunder in addition to the following:

(a) Seller shall pay all real estate excise taxes, and other transfer taxes applicable to the transfer of the Property.

(b) Buyer shall pay:

(i) The fees for the Escrow Holder;

(ii) All costs and expenses of Buyer's consultants and investigations;

(iii) The premium for the Title Policy, together with the cost of all endorsements requested by Buyer.

8.8 Closing Statements. The prorations shall be made on the basis of a written closing statement submitted by Escrow Holder to Buyer and Seller prior to the Closing Date and approved by Buyer and Seller, which approval shall not unreasonably be withheld. In the event any prorations or apportionments made hereunder shall prove to be incorrect for any reason, then either party shall be entitled to an adjustment to correct the same. Any item which cannot be prorated because of the unavailability of information shall be tentatively prorated on the basis of the best data then available and re-prorated between Buyer and Seller when the information is available. Notwithstanding the foregoing, any adjustments or re-prorations shall be made, if at all, within one hundred eighty (180) days after the Closing Date.

## **ARTICLE IX. REPRESENTATIONS AND WARRANTIES**

Seller and Buyer make the following representations and warranties:

9.1 Seller's Representations. Seller represents and warrants to Buyer as of the Date of this Agreement:

(a) Litigation. There is no litigation or proceeding pending against Seller, or to Seller's current actual knowledge threatened against Seller, which relate to the Property or the Underlying Parcel, or the transaction contemplated by this Agreement.

(b) Compliance. Seller has no knowledge that the Property or the Underlying Parcel or the operation and use thereof does not comply in any material respect with applicable laws.

(c) No Prior Options, Sales or Assignments. Seller has not granted any options nor obligated itself in any manner whatsoever to sell the Property or the Underlying Parcel or any portion thereof to any party other than Buyer.

(d) Special Assessments. Seller has no knowledge of contemplated public improvements to the Property or the Underlying Parcel or the area surrounding the Property or the Underlying Parcel which would result in the assessment of special improvement assessments against the Property or the Underlying Parcel.

(e) Condemnation. Seller has not been notified, and does not know of any, planned or threatened condemnation or similar proceedings with respect to the Property or the Underlying Parcel or any part thereof.

(f) Environmental Compliance. Seller has no current actual knowledge of any Hazardous Substances on or adjacent to the Property or any underground storage tanks on the Property except as disclosed in the following reports, true and correct copies of which have



been delivered to Buyer: Sound Earth Strategies Phase I/Phase II Environmental Site Assessment, dated July 25, 2011.

(g) Authority. Seller is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of Washington. This Agreement and all documents to be executed by Seller at Closing have been duly authorized, executed and delivered by Seller and are binding on and enforceable against Seller in accordance with their terms. Seller has obtained all authorizations or approvals necessary for Seller to enter into and perform its obligations under this Agreement.

(h) Bankruptcy. None of the following has occurred with respect to the Property, the Underlying Parcel or Seller: (i) appointment of a receiver, liquidator, or trustee; (ii) institution of any proceeding for dissolution or liquidation; (iii) filing of any petition for bankruptcy, or action toward reorganization; (iv) notice of default, trustee's sale, foreclosure or forfeiture.

(i) Taxes. All taxes and assessments and other governmental or quasi-governmental levies of any kind which are due for payment prior to the date hereof, the non-payment of which would in any way affect the Property, the Underlying Parcel or any part of either, or Buyer's title thereto or in any way impose any liability on Buyer, have been paid, or shall be paid by Seller, prior to or at the Closing Date, together with all interest and penalties thereon.

(j) Liens. There are no unpaid bills, claims, or liens pending or contemplated by mechanics, material suppliers, surveyors, or others, recorded or unrecorded in connection with the Property or the Underlying Parcel.

(k) Property Information. The Property Information is complete, accurate, true and correct and does not fail to state any fact without which the Property Information would be misleading.

9.2 Buyer's Representations. Buyer represents and warrants to Seller as of the Closing Date that this Agreement and all documents to be executed by Buyer at Closing have been duly authorized, executed and delivered by Buyer and are binding on and enforceable against Buyer in accordance with their terms.

9.3 General Provision Regarding Warranties and Representation. If, prior to Closing, either Buyer or Seller discovers a fact or circumstance which might render a representation or warranty by that party inaccurate in any material respect, it shall promptly advise the other party thereof in writing. If Buyer is so advised of such a fact or circumstance prior to Closing, it shall have the option, exercisable within five (5) days thereafter to either (a) elect to terminate this Agreement and receive a return of the Earnest Money Note or (b) to waive such inaccuracy, in which event Buyer shall be deemed to have waived all rights, claims and causes of action against Seller related thereto and the representation or warranty shall be deemed amended to reflect such fact or circumstance.

9.4 No Public Offering. Seller and Buyer hereby agree and acknowledge that in accordance with RCW 64.34.400 (1), Seller shall not deliver to Buyer a public offering statement in connection with the sale of the Housing Unit and Commercial Unit to Buyer, and Buyer hereby waives receipt of the same, together with any right of review and rescission of this Agreement in connection therewith.

## **ARTICLE X. LOSS BY CONDEMNATION OR CASUALTY**

In the event that all or any material portion of the Property or the Underlying Parcel becomes the subject of a taking or condemnation under the provisions of eminent domain law or suffers a casualty after the Date of this Agreement but prior to the Closing Date, Buyer may either (i) terminate this Agreement, in which case the Earnest Money Note shall be returned to Buyer and the parties shall have no further rights or obligations hereunder, or (ii) elect to proceed with the Closing, in which case Seller shall turn over or assign to Buyer all condemnation and/or insurance proceeds. Buyer shall make such election within thirty (30) days after receiving written notice from Seller of the occurrence of such event, including the factual circumstances and anticipated condemnation and/or casualty proceeds.

## **ARTICLE XI. INDEMNIFICATION**

Buyer shall defend, indemnify and hold Seller harmless from and against and reimburse Seller on demand for, any and all obligations, losses, liabilities, claims, cost or expense (including reasonable attorneys' fees), whether direct, contingent or consequential, resulting from claims asserted against Seller by any third party relating to the Property or the Underlying Parcel and arising out of actions or circumstances occurring on or after Closing, other than claims arising from any misrepresentation, breach of warranty or non-fulfillment of any covenant or agreement on the part of Seller under this Agreement.

## **ARTICLE XII. POSSESSION**

Possession of the Property shall be delivered to Buyer on the Closing Date.

## **ARTICLE XIII. DEFAULT; REMEDIES**

13.1 Default by Buyer. If Buyer fails, without legal excuse, to complete the purchase of the Property in accordance with the terms of this Agreement or otherwise defaults hereunder for any reason, Seller's sole and exclusive remedy shall be to enforce the Earnest Money Note as liquidated damages. The Buyer expressly agrees that the payment of the amount due by Buyer to Seller under the Earnest Money Note represents a reasonable estimation of the damages in the event of Buyer's default, that actual damages may be difficult to ascertain and that this provision does not constitute a penalty. The foregoing limitation on the liability of Buyer shall not be applicable with respect to Buyer's obligations to be performed or enforced after Closing.

13.2 Default by Seller. If Seller fails, without legal excuse, to complete the sale of the Property in accordance with the terms of this Agreement or otherwise defaults hereunder for any

reason, Buyer may elect to pursue any remedy under law or equity, including, but not limited to one or more of the following remedies: (a) terminate this Agreement and all obligations under the Earnest Money Note; (b) sue for damages; and (c) specifically enforce this Agreement and recover any incidental damages.

#### ARTICLE XIV. MISCELLANEOUS

14.1 Voluntary Purchase. Purchaser may utilize federal funds with respect to the acquisition and/or development of the Property. Because federal funds may be used, Purchaser and Seller agree as follows:

(a) This sale is voluntary. Purchaser does not have the power to acquire the property by condemnation or eminent domain.

(b) Purchaser estimates the fair market value of the Property to be \$[VALUE ALLOCATED TO RESIDENTIAL UNIT AND COMMERCIAL UNIT].

14.2 Notices. All notices, demands, requests, consents and approvals which may, or are required to, be given by any party to any other party hereunder shall be in writing and shall be deemed to have been duly given if: (i) delivered personally, (ii) sent by a nationally recognized overnight delivery service, (iii) electronically transmitted with confirmation sent by another method specified in this Section 14.2 or (iv) if mailed or deposited in the United States mail and sent by registered or certified mail, return receipt requested, postage prepaid to:

Buyer at: Twelfth Avenue Arts Development LLC  
c/o Capitol Hill Housing Improvement Program  
1406 10th Avenue, Suite 101  
Seattle, WA 98122  
Attn: Executive Director  
Facsimile: (206) 329-1857

With a copy to: Kantor Taylor Nelson Boyd & Evatt P.C.  
901 Fifth Avenue, Suite 4000  
Seattle, WA 98164  
Attn: Mark Kantor  
Facsimile: (206) 607-1850

Seller at: The City of Seattle  
Seattle Municipal Tower  
700 5th Avenue, Suite 4350  
P.O. Box 94689  
Seattle, WA 98124-4669  
Attn. Director, Finance and Administrative Services  
Facsimile: (206) 684-0525

With a copy to: The City of Seattle

City Hall  
600 4<sup>th</sup> Avenue, 4<sup>th</sup> Floor  
PO Box 94769  
Seattle, WA 98124-4769  
Attn. City Attorney  
Facsimile: (206) 684-8284

or to such other addresses as either party hereto may from time to time designate in writing and deliver in a like manner. All notices shall be deemed complete upon actual receipt or refusal to accept delivery.

14.3 Amendment, Waiver. No modification, termination or amendment of this Agreement may be made except by written agreement. No failure by Seller or Buyer to insist upon the strict performance of any covenant, agreement, or condition of this Agreement or to exercise any right or remedy shall constitute a waiver of any such breach or any other covenant, agreement, term or condition. No waiver shall affect or alter this Agreement, and each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. All the terms, provisions, and conditions of this Agreement shall inure to the benefit of and be enforceable by Seller's or Buyer's permitted successors and assigns.

14.4 Survival. All provisions of this Agreement which involve obligations, duties or rights to be performed after the Closing Date or the recording of the Deed, and all indemnifications, representations and warranties made in or to be made pursuant to this Agreement shall survive the Closing Date and/or the recording of the Deed only to the extent expressly provided herein.

14.5 Captions. The captions of this Agreement are for convenience and reference only and in no way define, limit or describe the scope or intent of this Agreement.

14.6 Merger of Prior Agreements; Reliance. This Agreement and any exhibits hereto, constitute the final and complete agreement between the parties with respect to the purchase and sale of the Property and supersede all prior and contemporaneous agreements, letters of intent and understandings between the parties hereto relating to the subject matter of this Agreement. There are no oral or other agreements, including but not limited to any representations or warranties, which modify or affect this Agreement. Seller shall not be bound by, nor liable for, any warranties, representations or statements of fact or opinion made by any other person, partnership, corporation or other entity, including, without limitation, the Title Company, any surveyor and any consultants. Buyer acknowledges to Seller that in entering into this Agreement, Buyer is not relying on any warranties except those expressly set forth herein.

14.7 No Joint Venture. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between Buyer and Seller. No term or provision of this Agreement is intended to be, or shall be, for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

14.8 Governing Law; Time. This Agreement and the rights of the parties hereto shall be governed by and construed in accordance with the internal laws of the State of Washington. “**Day**” as used herein means a calendar day and “**Business Day**” means any day on which commercial banks in Seattle, Washington are generally open for business. Any period of time which would otherwise end on a non-Business Day shall be extended to the next following Business Day. Time is of the essence of this Agreement.

14.9 Exhibits. All exhibits attached hereto or referenced herein are incorporated in this Agreement.

14.10 Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such provisions had not been contained herein.

14.11 Counterparts. This Agreement and the documents to be delivered hereunder may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

14.12 Assignment. Seller’s rights and obligations under this Agreement are not assignable without the prior written consent of Buyer. Buyer’s rights and obligations under this Agreement are not assignable without the prior written consent of Seller, except that Buyer may assign its rights and obligations hereunder to another entity controlled by Capitol Hill Housing Improvement Program without the consent of Seller.

14.13 Agency Disclosure and Brokerage Provisions. No brokers or agents have represented either party in this transaction.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the day and year first above written.

SELLER: THE CITY OF SEATTLE,  
a Washington municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

BUYER: TWELFTH AVENUE ARTS DEVELOPMENT LLC,  
a Washington limited liability company

By: CH Development Association  
Its: Sole member and manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Exhibit A

Description of Underlying Parcel

Lots 2 through 5, inclusive, Block 22, Addition to the City of Seattle as laid off by D. T. Denny, Guardian of the Estate of J. H. Nagle (commonly known as Nagle's Addition to the City of Seattle), according to the plat thereof recorded in Volume 1 of Plats, page 1536, in King County, Washington;

EXCEPT the west 7 feet thereof, condemned in King County Superior Court Cause No. 61476 for the widening of 12<sup>th</sup> Avenue as provided by Ordinance no 17972 of the City of Seattle.

Exhibit B

Form of Deed

After recording, return to:

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**QUIT CLAIM DEED**

**Reference number of related documents:**

**Grantor:** The City of Seattle

**Grantee:** Twelfth Avenue Arts Development LLC

Legal Description:

1. Abbreviated Form:
2. Additional legal description is on Page \_\_\_\_ of document.

Assessor's Property Tax Parcel Account Number(s):

**Grant.** The City of Seattle, a Washington municipal corporation, acting by and through its Department of Finance and Administrative Services ("Grantor"), hereby conveys and quit claims to Twelfth Avenue Arts Association ("Grantee"), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), that certain real property located in the City of Seattle, King County, Washington, and legally described as follows:

[INSERT LEGAL]

Executed this \_\_\_\_ day of \_\_\_\_\_, 2012, pursuant to Ordinance \_\_\_\_\_ of The City of Seattle.

THE CITY OF SEATTLE  
FINANCE AND ADMINISTRATIVE SERVICES

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Print Title: \_\_\_\_\_



STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

On this \_\_\_\_ day of \_\_\_\_\_, 2012, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be the \_\_\_\_\_ of the Department of Finance and Administrative Services, of THE CITY OF SEATTLE, the municipal corporation on behalf of which the within and foregoing instrument was executed, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year in this instrument above written.

(Signature)

(Print or Type Name)

NOTARY PUBLIC in and for the State of Washington, residing at \_\_\_\_\_.  
My commission expires \_\_\_\_\_.

The undersigned Grantee(s)/Purchaser(s) herein, does/do hereby approve this Quit Claim Deed as to form.

TWELFTH AVENUE ARTS DEVELOPMENT LLC,  
a Washington limited liability company

By: CH Development Association  
Its: Sole member and manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

William Craven  
FAS East Precinct Parking 12<sup>th</sup> Ave Arts ATT 3  
August 16, 2012  
Version #1

Exhibit C

Condominium Declaration

William Craven  
FAS East Precinct Parking 12<sup>th</sup> Ave Arts ATT 3  
August 16, 2012  
Version #1

Exhibit D

Condominium Association Articles and Bylaws

EXHIBIT E

TO REAL PROPERTY PURCHASE AND SALE AGREEMENT

Form of Earnest Money Note

\$120,000.00 (U.S.)

Seattle, Washington  
\_\_\_\_\_, 2012

FOR VALUE RECEIVED, the undersigned (“Maker”) promises to pay to the order of First American Title Company, the sum of One Hundred Twenty Thousand and 00/100 Dollars (\$120,000.00) due and payable pursuant to section 2.3 of that Real Property Purchase and Sale Agreement dated as of \_\_\_\_\_, 2012 by and between The City of Seattle, as “Seller”, and [CHDA ENTITY], the undersigned, as “Buyer”, the terms and conditions of which are incorporated herein by this reference (the “Agreement”).

If this Note shall be placed in the hands of an attorney for collection or it suit shall be brought to collect this Note, the undersigned promises to pay reasonable attorney’s fees and any and all cost for collection of the same, including appeals.

This Note shall be construed and enforced in accordance with the laws of the State of Washington, and venue for any action to enforce or collect this Note shall be in King County, Washington.

[CHDA ENTITY],  
a Washington limited liability limited partnership

By: [HOUSING GP]  
Its: General partner

By: Capitol Hill Housing Improvement Program  
Its: Sole member and manager

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_